



State of Utah
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S001/027

August 8, 1996

O. Jay Gatten
472 North Main
Kaysville, Utah 84037-1173

Re: Permitting Time Frame, Notice of Intention to Commence Large Mining Operations, Pearl Queen
Perlite Corporation, Pearl Queen Mine, S/001/027, Beaver County, Utah

Dear Mr. Gatten:

Thank you for your July 29, 1996 letter informing us of the present status of your mining plans for the Pearl Queen Mine. We will initiate the review of your large mine permit application in a timely manner, which hopefully will assist you in meeting your projected contractual time frames. Based upon conversations between your son, Danny Gatten, and Mr. Tom Munson of my staff, it was our understanding that you were not planning on beginning mining operations until the end of the year. On May 20, 1996, Mr. Munson and Mr. Lynn Kunzler of my staff conducted an onsite inspection of the Pearl Queen mine. They observed no surface disturbances or evidence of any recent activity at the mine site. You presently have a valid Small Mining Operations permit which entitles you to mine up to five (5) acres of surface disturbance. It was our understanding that you would use this permit to begin operations at the site while your Large Mine permit application was being processed.

Combining these understandings with our limited staffing and heavy work load, we did not sense an immediate need for an expeditious review of your large mining permit application. Consequently, we assigned it with a lower permitting priority. Whether this was an apparent misunderstanding on our part, or a change in priorities on your part, we will begin our review immediately. It is our intention to forward our preliminary review document to you within the next 30 - 45 days. We apologize for any inconvenience this may have caused you, but assure you, we were only acting in good faith, trying to accommodate your needs and ours.

If you have questions regarding this letter please call me or Mr. Munson of my staff at (801) 538-5286 and 538-5321 respectively.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Lowell Braxton, Deputy Director
pearl.let



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